

MONTANA LEGISLATIVE HISTORY

Chapter 126 1997

Bill HB 69 S _____

Original bill & history ✓ c

H. Committee on Local Government S. Committee on Local Government

Hearing Date(s) 1/16 _____ c

Hearing Date(s) 3/04 _____ c

or 1/22 _____ c

3/04 _____ c

_____ c

_____ c

_____ c

_____ c

Date Out _____ c

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

1/29	HEARING		
2/01	COMMITTEE REPORT—BILL CONCURRED		
2/13	2ND READING CONCURRED	50	0
2/14	3RD READING CONCURRED	49	1
	RETURNED TO HOUSE		
2/18	SIGNED BY SPEAKER		
2/19	SIGNED BY PRESIDENT		
2/20	TRANSMITTED TO GOVERNOR		
2/21	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 27		
	EFFECTIVE DATE: 02/21/97		

HB 74 INTRODUCED BY MASOLO *LC0318 DRAFTER: HEFFELFINGER*

REVISE STATE TRAVEL REIMBURSEMENT PROVISIONS AFFECTING
LODGING, MEALS, AND MILEAGE

BY REQUEST OF DEPARTMENT OF ADMINISTRATION

12/20	INTRODUCED		
12/26	FISCAL NOTE REQUESTED		
1/06	FIRST READING		
1/06	REFERRED TO STATE ADMINISTRATION		
1/15	FISCAL NOTE RECEIVED		
1/15	FISCAL NOTE PRINTED		
1/23	HEARING		
1/30	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/11	REVISED FISCAL NOTE REQUESTED		
2/15	2ND READING PASSED	63	36
2/17	REVISED FISCAL NOTE RECEIVED		
2/18	3RD READING PASSED	66	34
	TRANSMITTED TO SENATE		
2/19	FIRST READING		
2/19	REFERRED TO STATE ADMINISTRATION		
2/21	REVISED FISCAL NOTE PRINTED		
3/05	HEARING		
3/07	COMMITTEE REPORT—BILL CONCURRED		
3/12	REFERRED TO FINANCE & CLAIMS		
3/17	HEARING		
3/18	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/21	2ND READING CONCURRED	35	14
3/22	3RD READING CONCURRED	39	10
	RETURNED TO HOUSE WITH AMENDMENTS		
4/09	2ND READING AMENDMENTS CONCURRED	76	23
4/11	3RD READING CONCURRED AS AMENDED	70	27
4/20	SIGNED BY SPEAKER		
4/25	SIGNED BY PRESIDENT		
4/25	TRANSMITTED TO GOVERNOR		
4/30	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 439		
	EFFECTIVE DATE: 07/01/97		

HB 75 INTRODUCED BY HAGENER, ET AL. *LC0347 DRAFTER: KURTZ*

EXPAND THE MEANS OF PROVIDING ELECTRONIC INFORMATION TO THE
PUBLIC

BY REQUEST OF DEPARTMENT OF ADMINISTRATION

12/20	INTRODUCED
1/06	FIRST READING
1/06	REFERRED TO STATE ADMINISTRATION
1/13	HEARING

HOUSE BILL NO. 69
INTRODUCED BY HAGENER, BARTLETT

A BILL FOR AN ACT ENTITLED: "AN ACT SUBSTITUTING THE DEPARTMENT OF REVENUE FOR DISTRICT CLERKS OF COURT AS TRUSTEE OF TRUSTS FOR UNLOCATABLE MINERAL OWNERS; AND AMENDING SECTIONS 82-1-302, 82-1-304, 82-1-305, AND 82-1-306, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 82-1-302, MCA, is amended to read:

"82-1-302. Creation of trust for unlocatable mineral, leasehold, or royalty interest owners. (1) Any person who owns an interest in minerals underlying a tract of land may petition the district court of the county in which the tract or a portion of the tract is located to declare a trust in favor of ~~a person or other~~ persons also owning or claiming an interest in the minerals underlying the tract if their place of residence and present whereabouts is unknown and cannot reasonably be ascertained.

(2) In requesting the appointment of a trustee, the petitioner ~~must~~ shall show that:

- (a) a diligent but unsuccessful effort to locate the absent owner or claimant has been made; and
- (b) appointment of a trustee will be in the best interest of all owners of an interest in the minerals.

(3) After determining that the conditions of subsection (2) have been met, the court shall appoint ~~the clerk of court~~ department of revenue as a trustee and shall authorize ~~him~~ the department to execute and deliver an oil, gas, or other mineral lease, a ratification, a division order, or any other related document or instrument on ~~such~~ the terms and conditions as the court may approve."

Section 2. Section 82-1-304, MCA, is amended to read:

"82-1-304. Administration of the trust. (1) The administration of the trust ~~shall~~ must comply with the appropriate provisions regulating trusts contained in Title 72.

(2) ~~No-trustee~~ Trustee or attorney fees may not be paid from the trust proceeds.

(3) All bonuses, rental payments, royalties, and other income ~~shall~~ must be paid to the trustee until the trust is terminated and notice of its termination given to all interested parties. The trustee shall distribute all money held in the trust to the person or persons entitled to ~~it~~ the money upon the order of the

1 district court.

2 (4) A trust in favor of unlocatable owners ~~shall~~ must be kept in force until the unlocatable owners
3 of the mineral interest in question have successfully claimed ~~the~~ their share of the funds held in trust and
4 have filed the notice, as provided in 82-1-306.

5 (5) The trustee shall invest funds ~~under his management in the~~ a prudent manner ~~of a prudent man,~~
6 as provided in 72-34-114. Fifty percent of the interest earned on each trust ~~shall~~ must be credited to the
7 ~~general fund of the county in which the mineral interest is located~~ department of revenue to defray the
8 costs of administration.

9 (6) Funds held in the trusts are subject to the provisions governing abandoned property contained
10 in Title 70, chapter 9."

11
12 **Section 3.** Section 82-1-305, MCA, is amended to read:

13 "82-1-305. ~~Existing trust~~ Trust for unlocatable mineral, leasehold, and royalty interest owners --
14 ~~transfer of trustees—~~ penalty. (1) ~~Any bonuses, rental payments, royalties, and other income now held by~~
15 ~~any person or association for unlocatable owners or claimants of an interest in minerals underlying a tract~~
16 ~~of land must be deposited with the clerk of the district court in which the tract is located within 6 months~~
17 ~~after July 1, 1979. An accounting for the funds, any related documents, and any instrument creating a~~
18 ~~trust must be filed with the funds.~~

19 ~~(2)(1)~~ No A person may not personally hold for longer than 6 months any bonuses, rental
20 payments, royalties, ~~and~~ or other income for unlocatable owners or claimants of an interest in minerals
21 underlying a tract of land, ~~but in such case~~ Within the 6-month period, the person must shall petition the
22 district court for creation of a trust, as provided in 82-1-302.

23 ~~(3)(2)~~ If any A person ~~fails~~ failing to comply with subsection (1) ~~or (2),~~ he is liable for all attorney
24 fees and court costs and interest on ~~such~~ funds subject to subsection (1) at twice the current average
25 passbook account rate paid by financial institutions in ~~that~~ any district in which the property or part of the
26 property is located."

27
28 **Section 4.** Section 82-1-306, MCA, is amended to read:

29 "82-1-306. **Filing of addresses.** (1) Upon the payment of a \$5 fee, ~~any~~ a person claiming an
30 interest in minerals underlying a tract of land ~~which~~ that is the subject of a trust proceeding under 82-1-302

1 may file with the clerk and recorder of each county ~~wherein the mineral interests lie~~ in which the land is
2 located a notice ~~of his~~ containing the person's address and ~~the a legal~~ description of ~~his~~ the person's
3 interest in the minerals. ~~and thereby establish~~ Filing the notice creates a rebuttable presumption that ~~such~~
4 the person owns the interest claimed.

5 (2) The clerk and recorder shall forward a copy of the notice to the department of revenue."

6 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0069, as introducedDESCRIPTION OF PROPOSED LEGISLATION:

An act substituting the Department of Revenue for district clerks of court as trustee of trusts for unlocatable mineral owners.

ASSUMPTIONS:

1. Under current law, a total of approximately 720 hours per year are spent administering unlocatable mineral owners (per a survey of district clerks of court).
2. The estimated cost to the Department of Revenue to administer unlocatable mineral owner trusts will be \$12,000 per year for contracted services. In the bill, as introduced, fifty percent of the interest earned on each trust will be deposited to the state general fund. Therefore, it is assumed that the funding for the administrative costs will be from the general fund (See Technical Note 1).
3. Under current law, fifty percent of the interest earned on the trusts is given to the counties. This amount is estimated to be approximately \$12,000 per year (per a survey of district clerks of court). The bill, as introduced, would deposit this estimated amount to the state general fund (See Technical Note 1).
4. Because an effective date is not stated, it is assumed that the substitution of the Department of Revenue for district clerks of court as trustee would begin on October 1, 1997.
5. All existing trusts and interest earned on the trusts as of October 1, 1997, will be turned over to the Department of Revenue on October 1, 1997.

FISCAL IMPACT:

	<u>FY98</u>	<u>FY99</u>
Department of Revenue: Income & Misc Tax		
<u>Expenditures:</u>		
Operating Expenses	12,000	12,000
<u>Funding:</u>		
General Fund (01)	12,000	12,000
<u>Revenues:</u>		
Interest from Trusts (01)	12,000	12,000
<u>Net Impact:</u>		
General Fund (01)	0	0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The bill will reduce revenue and expenditures for county government.

TECHNICAL NOTES:

1. Page 2, line 5 of the bill, as introduced, states that "interest earned on each trust must be credited to the department of revenue to defray the costs of administration." Under this language, the interest will be deposited to the general fund. In order to earmark the revenue to defray the costs of administration, language may be considered that would establish, and credit the interest earned to, a state special revenue account in the Department of Revenue.

Dave Lewis 1-7-97
 DAVE LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Toni Hagener 1-9-97
 TONI HAGENER, PRIMARY SPONSOR DATE

Fiscal Note for HB0069, as introduced

HB 69

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Chairman Norm Mills, on January 16, 1997, at 3:00 p.m., in Room 104.

ROLL CALL

Members Present:

Rep. Norm Mills, Chairman (R)
Rep. Chris Ahner, Vice Chairman (Majority) (R)
Rep. David Ewer, Vice Chairman (Minority) (D)
Rep. Ellen Bergman (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Matt Brainard (R)
Rep. Bill Carey (D)
Rep. Matt Denny (R)
Rep. Charles R. Devaney (R)
Rep. Tim Dowell (D)
Rep. Antoinette R. Hagener (D)
Rep. Deb Kottel (D)
Rep. Bob Lawson (R)
Rep. Linda McCulloch (D)
Rep. Daniel W. McGee (R)
Rep. Wes Prouse (R)
Rep. Liz Smith (R)
Rep. Loren L. Soft (R)

Members Excused: Rep. Sam Kitzenberg (R)

Members Absent: Rep. Jon Ellingson (D)

Staff Present: Bart Campbell, Legislative Services Division
Debbie Thompson, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 69, 1/8; HB 140, 1/8; HB
211, 1/13

Executive Action: HB 130 TABLED 10-9

HEARING ON HB 211

Sponsor: Rep. John Rose, HD 87

Proponents:

Alec Hanson, Montana League of Cities and Towns

HEARING ON HB 140

Sponsor: REP. BILLIE KRENZLER, HD 17

Proponents:

Gordon Morris, Montana Association of Counties

Robert Throssell, Montana Association of Clerk and Recorders

Larry Fasbender, Cascade County

Mary Phippin, Montana Association of Clerks of District Court

{Tape: 1; Side: B; Approx. Time Count: 5.0}

Opponents: None

Questions From Committee Members and Responses:

CHAIRMAN MILLS

{Tape: 1; Side: B; Approx. Time Count: 6.3; Comments: Chairman Mills asked for clarification of the January 1 date.}

REP. LAWSON

{Tape: 1; Side: B; Approx. Time Count: 15.9; Comments: legalities of oral vs. written oath.}

Closing by Sponsor:

REP. KRENZLER closed.

HEARING ON HB 69

Sponsor: REP. TONI HAGENER, HD 90

Proponents:

Mary Phippin, Montana Association of Clerks of District Court - Exhibit 2, 2a. Ms. Phippin presented two letters, Exhibit 3, 3a.

Opponents:

{Tape: 2; Side: A.}

Tom Daubert

Art Klingen, Blaine County Commissioner

Informational Testimony:

Neil Peterson, Department of Revenue

{Tape: 2; Side: A; Approx. Time Count: 3.6; Comments: Transfer of duties needs an amendment to start at the beginning of the year.

Questions From Committee Members and Responses:

REP. KOTTEL

REP. MCGEE

{Tape: 2; Side: A; Approx. Time Count: 9.1; Comments: Trustee issue.}

REP. PROUSE

{Tape: 2; Side: A; Approx. Time Count: 12.5; Comments: Rep. Prouse asked John Shontz to clarify property disposal.}

REP. BRAINARD

{Tape: 2; Side: A; Approx. Time Count: 25.7; Comments: Rep. Brainard questioned Mr. Peterson regarding statute of limitation on abandoned property.}

Closing by Sponsor:

REP. HAGENER closed on HB 69.

EXECUTIVE ACTION ON HB 130

Motion: REP. KOTTEL moved to discuss the bill.

Discussion: REP. BERGMAN

{Tape: 2; Side: A; Approx. Time Count: 2.5; Comments: Rep. Bergman asked where the money would come from to keep the higher pay level.}

REP. BRAINARD

{Tape: 2; Side: a; Approx. Time Count: 6.7; Comments: Rep. Brainard stated no elected official or worker has a right to expect increased pay-all subject to supply and demand.}

REP. MCGEE

{Tape: 2; Side: A; Approx. Time Count: 14.9-15.7; Comments: Rep. McGee opposed the bill as services would be cut to the people paying the bill.}

2
1-16
HB 69

MARY "MARTY" PHIPPEN
LOBBYIST, MONTANA ASSOCIATION OF CLERKS OF DISTRICT COURT
617 NO. RALEIGH
HELENA MT 59601

RE: HB 69 - "AN ACT SUBSTITUTING THE DEPARTMENT OF REVENUE FOR DISTRICT CLERKS OF COURT AS TRUSTEE OF TRUSTS FOR UNLOCATABLE MINERAL OWNERS; AND AMENDING SECTIONS 82-1-302, 82-1-304, 82-1-305, AND 82-1-306, MCA."

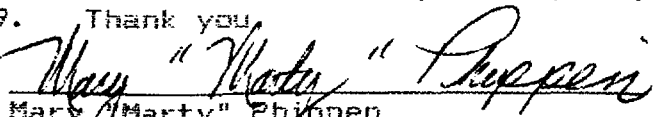
Mr. Chair, Members of the Committee, my name is Mary Phippen. I am a former Glacier County Clerk of District Court and represent the Montana Association of Clerks of District Court.

HB 69 was submitted at the request of the Montana Association of Clerks of District Court. Since the Clerks of District Court are now statutorily appointed as Trustees of Trusts for Unlocatable Mineral, Leasehold, or Royalty Interest Owners, and are charged with the administration of these Trusts, their reasons for pursuit of this piece of Legislation should be weighed carefully, as it is their experience with administering these Trusts that resulted in the Clerks seeking passage of this Bill.

The primary reasons that HB 69 should be considered favorably are:

1. The amount of revenue generated from 50% of the interest earned on each trust, pursuant to 82-1-304, (5), MCA, is NOT enough, in most counties, to satisfy the expenses in staff time and supplies needed to administer these trusts. Some of the deposits from the producers are as small as \$.02 and costs to process these deposits, which include receipts, maintaining ledgers, deposits with County Treasurers and subsequent deposits in interest bearing accounts with local banks, is substantially greater than the amount of the deposits.
2. In addition, pursuant to 82-1-304, (5), MCA, 50% of the interest earned on each trust must be credited to the General Fund of the County in which the mineral interest is located to "defray the costs of administration". As a result of this statute, the District Court Fund through the administration of these Trusts by the Clerks of District Court does NOT receive any compensation from the interest earned on each Trust for the administration of these Trusts; and
3. Ultimately, the unclaimed funds and 50% of the interest are annually escheated to the Department of Revenue Abandoned Property Section, the Department that the Clerks of District Court believe should administer these Trusts.

The Montana Association of Clerks of District Court respectfully requests your favorable consideration of HB 69. Thank you


Mary "Marty" Phippen

**GLACIER COUNTY
COMMISSIONERS**

- ☐ 512 E. Main
- ☐ Cut Bank, Montana 59427
- ☐ (406) 873-5063, ext. 24 & 25

2a^{P.1}
DATE 1-16-97
IB 69
Allan R. Lowry
Dan Geer
Lowell W. Mezmarich

FAX VIA NANCY SWEENEY: 406-447-8275

January 16, 1997

Mary "Marty" Phippen
617 No. Raleigh
Helena MT 59601

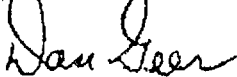
Dear Marty,

The County Commissioners of Glacier County support passage of House Bill 69. Having dealt with Patronage Dividend checks issued by the local electrical co-op we well understand the frustration and time of trying to locate people that have died, moved or left no forwarding address. Last year Glacier County received \$36.07 in revenue while 16-24 hours per month was expended in administration of the trusts. Ultimately most of the money is turned over to the Department of Revenue.

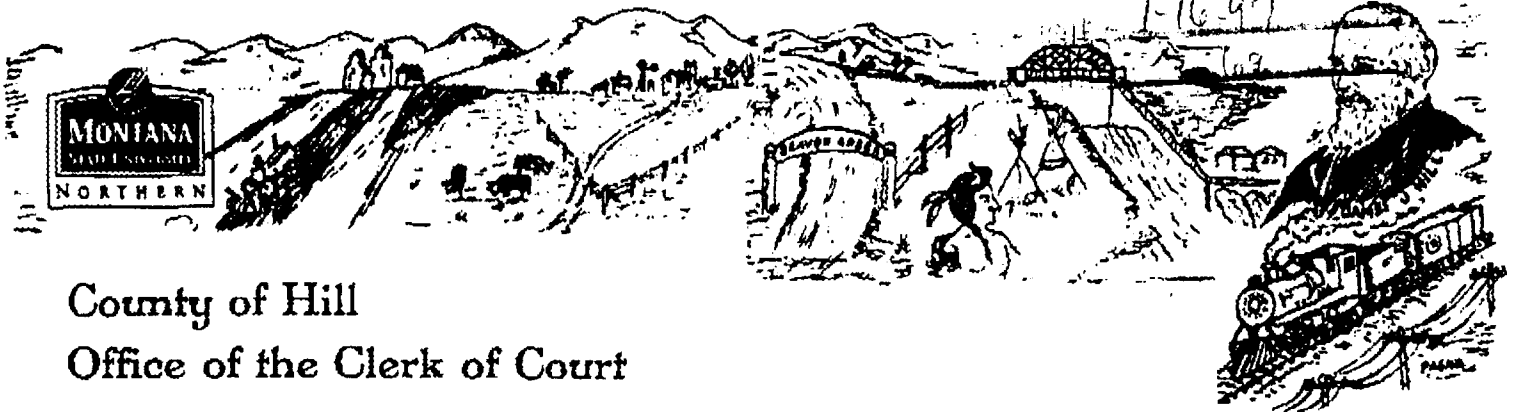
House Bill 69 substituting the Department of Revenue for the District Clerks of Court as trustee serves everyones best interests, certainly Glacier County's. Thank you for your consideration.

Sincerely,

BOARD OF GLACIER COUNTY COMMISSIONERS



Dan Geer, Chairman



Courthouse
HAVRE, MONTANA 50501

January 15, 1997

Norm Mills, Chairman
House Local Government Committee
Capitol Station
Helena MT 59620

Dear Mr. Mills:

RE: HB 69 "AN ACT SUBSTITUTING THE DEPARTMENT OF REVENUE
FOR DISTRICT COURT CLERKS OF COURT AS TRUSTEE OF TRUSTS
FOR UNLOCATABLE MINERAL OWNERS; AND AMENDING SECTIONS
82-1-302, 82-1-304, 82-1-305, AND 82-1-306, MCA"

This letter is written in support of the above-referenced House Bill. As one of many clerks in the State who administer these trusts, I am well aware of the time and effort involved in this process. The clerks do not receive a fee for the administration of these trusts; nor does the District Court Fund. The County General Fund receives 50% of the interest earned on each trust which, in my case, amounted to \$92.00 for the last reporting period. As I spent over sixteen hours administering the trusts that same reporting period, it becomes obvious that Hill County did not realize any profit from the administration of these trusts.

In most cases, the money in these trust accounts is never claimed and is, therefore, escheated to the Department of Revenue, Abandoned Property Division, along with the other 50% of the interest earned on each trust. It seems-logical that the agency that receives the majority of these funds be required to administer it.

As seems to be the case with all local governmental agencies, the members of The Montana Association of Clerks of District Court continue to be asked to assume more and more duties and are subjected to the financial burden of providing employees and supplies to try and administer unfunded mandates.

I urge you and all members of your committee to support this proposed legislation.

Sincerely,

Dena Tippeta
Dena Tippeta
Hill County Clerk of Court

3a
1-16-97
69

January 13, 1997

Honorable Toni Hagener
Local Government Committee Members

RE: House Bill 69
Unlocatable Mineral Owner Trusts

I am writing regarding my strong support of House Bill 69 and feel I am speaking for the majority of the Clerks of District Court in the association in this regard. I am a Deputy Clerk in Toole County at this time, however, previously served as Clerk of District Court for 11 years. I have continued to work on the Unlocatable Mineral Owner accounts in my capacity as Deputy Clerk.

Toole County currently has 131 unlocatable mineral owner accounts which involve daily, monthly maintenance and administration of each with the ultimate annual accounting and deposit to the Department of Revenue, Abandoned Property Section, at the end of the five (5) year deposit period (re: Abandoned Property). Only two (2) persons and/or heirs have been located.

Receiving the funds from the producer, depositing the funds in interest bearing accounts and the continual administration procedures are a culmination of tedious and time consuming tasks performed by the Clerk of District Courts. The most tedious and time consuming of the tasks is the calculation of the interest earned on each account for the five (5) year period. This in itself supports this bill in that the accounting we are doing is for the annual report/payment to the Department of Revenue anyway. The District Court and/or Clerk of District Court receive no compensation for the detailed administration of the trusts.

The Clerks of District Court who are trustees of the unlocatable mineral owner trusts would be grateful for your support of HB 69. The bill comes on for hearing on Thursday, January 16 at 3:00 o'clock p.m.

If you have questions in this regard, I am available at 627-2271 or through Marty Phippen, Lobbyist for the Clerk of District Court Association.

Thank you for your support.

Sincerely,

Penny Underdahl
Penny Underdahl
Star Route-Box 46
Ledger, MT 59456

HOUSE OF REPRESENTATIVES

LOCAL GOVERNMENT COMMITTEE

ROLL CALL

DATE 1-16-97

NAME	PRESENT	ABSENT	EXCUSED
Rep. Norm Mills, Chairman	X		
Rep. Chris Ahner	X		
Rep. David Ewer	X		
Rep. Ellen Bergman	X		
Rep. Sylvia Bookout-Reinicke	X		
Rep. Matt Brainard	X		
Rep. Bill Carey	X		
Rep. Matt Denny	X		
Rep. Charles R. Devaney	X		
Rep. Tim Dowell	X		
Rep. Jon Ellingson		✓	
Rep. Antoinette R. Hagener	X		
Rep. Sam Kitzenberg			X
Rep. Deb Kottel	X		
Rep. Bob Lawson	X		
Rep. Linda McCulloch	X		
Rep. Daniel W. McGee	X		
Rep. Wes Prouse	X		
Rep. Liz Smith	X		
Rep. Loren L. Soft	X		

will
be
back

Local Government COMMITTEE

PLEASE PRINT

COMMENTS:

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Local Government COMMITTEE BILL NO. HB 69
 DATE 1/16/97 SPONSOR(S) HB 140 HB 211

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Neil Peterson	~~HB 69~~ DOR	HB 69		
Emile Kimmet	Clerks of Court	HB 69		
Nancy Sweeney	Leeds & Clark Co Clerk of Court	HB 69		
Tom Daubert	MT Assn of Oil, Gas & Coal Cos	HB 69	X	
Art Kleingien	Bleino Co	HB 69	X	
Gordon Morris	MAC	HB 140		X
Bob Northington	MAC	HB 211		X
Ray Barnicoat	MAC	HB 211		X
Sam F. Dahlgren	Teton County	HB 211		X
GAIL ABERCROMBIE	MT Petroleum Assoc	HB 69		

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
 ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Chairman Norm Mills, on January 21, 1997, at 3:00 P.M., in Room 104.

ROLL CALL

Members Present:

Rep. Norm Mills, Chairman (R)
Rep. Chris Ahner, Vice Chairman (Majority) (R)
Rep. David Ewer, Vice Chairman (Minority) (D)
Rep. Ellen Bergman (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Matt Brainard (R)
Rep. Bill Carey (D)
Rep. Matt Denny (R)
Rep. Charles R. Devaney (R)
Rep. Tim Dowell (D)
Rep. Jon Ellingson (D)
Rep. Antoinette R. Hagener (D)
Rep. Deb Kottel (D)
Rep. Bob Lawson (R)
Rep. Linda McCulloch (D)
Rep. Daniel W. McGee (R)
Rep. Wes Prouse (R)
Rep. Liz Smith (R)
Rep. Loren L. Soft (R)

Members Absent: Rep. Sam Kitzenberg (R)

Staff Present: Bart Campbell, Legislative Services Division
Debbie Thompson, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 60-1/8; HB 64-1/8; HB 197-1/13; HB 201-1/13
Executive Action: HB 69 DO PASS AS AMENDED
HB 211 DO PASS AS AMENDED
HB 140 TABLED

HEARING ON HB 60

Sponsor: Rep. Sam Rose, HD 87

Proponents: Albert Carlson, Teton County Commissioners
{Tape: 1; Side: A; Approx. Time Count: 2.0-5.8; Comments:
Counties replacing ambulances is slow process.}

REP. KOTTEL {Tape: 1; Side: A; Approx. Time Count: 25.6;
Comments: questioned whether machinery was used as security for
loans or bonding.}

Closing by Sponsor: Rep. Krenzler closed

HEARING ON HB 197

Sponsor: Rep. Billie Krenzler, HD 17
{Tape: 1; Side: B; Approx. Time Count: 1.4; Comments:
consolidation of lighting districts.}

Proponents: Doug Streeter, City Engineers, Billings - Exhibit 1

Mike Mathew, Billings property owner
{Tape: 1; Side: B; Approx. Time Count: 7.0; Comments: off peak
lighting usage, power rate negotiations possible.}

Alec Hansen, League of Cities and Towns
{Tape: 1; Side: B; Approx. Time Count: 7.3-8.6; Comments:
reduction of administrative costs, pass on savings.}

Jim Campbell, City of Billings
{Tape: 1; Side: B; Approx. Time Count: 8.8-10.1; Comments:
suggested amendment that would average assessments within
maintenance districts.}

Opponents: None

Questions From Committee Members and Responses:

REP. PROUSE
{Tape: 1; Side: B; Approx. Time Count: 12.6-15.0; Comments:
questioned average increases. Mr. Streeter explained
consolidation and assessment process.}

Closing by Sponsor: Rep. Krenzler closed HB 197. Bill designed
to benefit property owners.

{Tape: 2; Side: A; Approx. Time Count: 1.7.}

EXECUTIVE ACTION ON HB 69

Motion: Rep. Ewer moved HB 69 Do Pass.

Amendments: Rep. Kottel moved to pass the amendment.

Discussion: **REP. KOTTEL** {Tape: 2; Side: A; Approx. Time Count:
4.0; Comments: Rep. Kottel asked whether the county or state
should be responsible.}

Neil Peterson, Department of Revenue, clarified state's role.

REP. PROUSE {Tape: 2; Side: A; Approx. Time Count: 12.4;
Comments: Rep. Prouse pointed out one county made as much as
\$15,000.}

REP. BRAINARD {Tape: 2; Side: A; Approx. Time Count: 13.0;
Comments: county did derive benefit at one time. Suggested
finding private enterprise, state may loose money also.}

Motion/Vote: The question was called on the amendment. The
motion passed 14-6.

{Tape: 2; Side: A; Approx. Time Count: 16.7.}

Motion/Vote: Rep. Prouse moved HB 69 as amended.

Discussion: **CHAIRMAN MILLS** {Tape: 2; Side: A; Approx. Time Count:
19; Comments: Chairman Mills noted counties did well during the
boom, now happy to get rid of the problem-now same burden at the
state level.}

REP. PROUSE State will receive the whole amount rather than 50%
as the counties did.

Motion/Vote: The question was called. The motion passed 10-9.

EXECUTIVE ACTION ON HB 211

Motion: Rep. Brainard moved Do Pass HB 211.

Motion: Rep. Carey moved to Pass the amendment.

Discussion: Rep. McGee asked for an explanation. Bart Campbell
explained the amendment.

{Tape: 2; Side: B.}

Rep. Devaney {Tape: 2; Side: B; Approx. Time Count: 1.4;
Comments: clarified bill gave unincorporated towns options.}

Rep. Prouse {Tape: 2; Side: B; Approx. Time Count: 6.3; Comments:
bill addressed options. Cities have problems funding their fire
departments.}

Vote: The question was called. The motion passed unanimously on
the amendment.

Motion/Vote: Rep. Ahner moved the bill as amended.

Vote: The motion carried as a voice vote to Pass HB 211 with one
no vote by Rep. Smith.



HOUSE STANDING COMMITTEE REPORT

January 22, 1997

Page 1 of 2

Mr. Speaker: We, the committee on Local Government report that House Bill 69 (first reading copy -- white) do pass as amended.

Signed: Norm Mills
Norm Mills, Chair

And, that such amendments read:

1. Title, line 4.

Strike: "SUBSTITUTING"

Insert: "ALLOWING THE SUBSTITUTION OF"

2. Page 1, line 20.

Following: "~~court~~"

Insert: "clerk of court or, if the clerk of court declines to act as trustee, the"

Following: "~~him~~"

Insert: "the clerk of court or"

3. Page 1, following line 22.

Insert: "(4) If at any time a clerk of court decides to not continue as trustee for a trust for unlocatable mineral, leasehold, or royalty interest owners, the district court shall appoint the department of revenue to act as trustee. Upon the department of revenue's appointment as trustee, the clerk of court shall remit all funds and interest held in the trust to the department of revenue."

4. Page 2, line 7.

Following: "revenue"

Insert: "or, if the clerk of the court is the trustee, to the general fund of the county in which the mineral interest is located"

Committee Vote:

Yes 10, No 1

150855SC.Hgd

January 22, 1997
Page 2 of 2

5. Page 3, line 5.
Following: "to the"
Strike: "department of revenue"
Insert: "trustee of the trust"

-END-

mp
1/22 10:20
150855SC.Hgd

HOUSE OF REPRESENTATIVES

ROLL CALL VOTE LOCAL GOVERNMENT COMMITTEE

DATE 1-21-97 BILL NO. 69 NUMBER _____

MOTION: HB 69 AS Amended

Passed
10-9

NAME	AYE	NO
Rep. Norm Mills		X
Rep. Chris Ahner		X
Rep. David Ewer	X	
Rep. Ellen Bergman	X	
Rep. Sylvia Bookout-Reinicke		X
Rep. Matt Brainard		X
Rep. Bill Carey	X	
Rep. Matt Denny		X
Rep. Charles R. Devaney		X
Rep. Tim Dowell		
Rep. Jon Ellingson	Y	
Rep. Antoinette R. Hagener	X	
Rep. Sam Kitzenberg		X
Rep. Deb Kottel	X	
Rep. Bob Lawson		X
Rep. Linda McCulloch	X	
Rep. Daniel W. McGee		X
Rep. Wes Prouse	X	
Rep. Liz Smith	X	
Rep. Loren L. Soft	X	

MINUTES

MONTANA SENATE 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By CHAIRMAN TOM BECK, on March 4, 1997, at 3:16 p.m., in Room 405.

ROLL CALL

Members Present:

Sen. Thomas A. "Tom" Beck, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Dorothy Eck (D)
Sen. Sharon Estrada (R)
Sen. Wm. E. "Bill" Glaser (R)
Sen. Don Hargrove (R)
Sen. John "J.D." Lynch (D)
Sen. Walter L. McNutt (R)
Sen. Fred R. Van Valkenburg (D)

Members Excused: None

Members Absent: None

Staff Present: Martha Colhoun, Legislative Services Division
Jodi Jones, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:	HB 60	Posted 2/20/97
	HB 211	Posted 2/20/97
	HB 69	Posted 2/20/97

Executive Action:	HB 60	To Be Concurred In
	HB 211	To Be Concurred In
	HB 69	To Be Concurred In
	HB 255	Tabled

HEARING ON HB 211

Sponsor: REPRESENTATIVE SAM ROSE, HD 87, Choteau

Proponents:

Alec Hansen, MT League of Cities and Towns
Bob Worthington, MMIA
Tim Bergstrom, MT State Firemen's Assoc.

SENATOR DOROTHY ECK asked what exempts this operation from a freeze on taxes. Mr. Carlson said it will give the county the opportunity to go to the tax-payers and ask them for funding.

SENATOR ECK said a lot of counties have a city-county board of health and deal with such things as expenses with ambulances. But there are some counties that don't get state funds because they do not have a board of health. Is this because they do not have a director? Mr. Carlson said this was probably true. On their board they have a representative from each incorporated town, the Co. Commissioners, and the health nurse. The board not only deals with ambulances, they have a clinic, health nurse and mental health all under the board of health.

Closing by Sponsor:

REPRESENTATIVE ROSE said this is good legislation for the rural communities.

{Tape: 1; Side: A; Approx. Time Count: 3:33 p.m.; Comments: .}

HEARING ON HB 69

Sponsor: TONI HAGENER, HD 90, Havre

Proponents:

Mary Phippen, MT Assoc. of Clerks of District Court
Nancy Sweeny, Lewis and Clark Clerk of District Court
Anita Vandaloh, Pondera Clerk of District Court

Opponents: None

Opening Statement by Sponsor:

TONI HAGENER, HD 90, Havre, presented HB 69. This bill is a request of the Clerk of Courts Association. They are struggling under increased loads and are trying to become more efficient. Tracing unlocatable mineral rights for five years for the Department of Revenue is one such area the clerks would like to abolish from their jobs. An unlocatable mineral right comes about when a person pulls a mineral right that may produce income. The amount is usually small enough that it is easily ignored or forgotten. Then the person sells the land but keeps the mineral right and moves away with no forwarding address or they die. A producer, usually oil or gas, comes along that wants the lease and petitions the court to execute the lease. The body of the trust is reverted to the Department of Revenue. Only one half of the interest is allowed to remain with the county. Once the lease is executed the interest is deposited to the trust until it is terminated. The clerk must invest the income earned into an interest bearing account. The income may come monthly, quarterly, or biennially and the trust stays in place until claimed. The clerk of court holds the trust for five years at which time it is

transferred to the Department of Revenue abandoned property section. In those five years the clerk must handle the book-keeping for any and all deposits, some as small as two and three cents. The clerk is required to do a lot of detailed work for the Department of Revenue. The county is allowed to retain half of the earnings on the trust. This brings in \$12,000 per year but requires a minimum of 720 hours per year to administer. Not all counties have unlocatable mineral rights, the bill does have a permissible clause which gives the court in that county permission to transfer the duty if it desires. It will relieve the duties of the clerks and let them do the work that is required of them.

Proponents' Testimony:

Mary Phippen, MT Assoc. of Clerks of District Court, spoke in favor of HB 69. (EXHIBIT 1)

Nancy Sweeny, Lewis and Clark Co. Clerk of District Court, spoke in favor of HB 69. She said Lewis and Clark Co. does not have to administer mineral rights. She read a letter in the packet handed out by Mary Phippen from Dena Tippetts (EXHIBIT 1).

Anita Vandaloh, Pondera Co. Clerk of District Court, supported HB 69. She said she will receive a check for two or three cents and spend 16 hours doing the book work. The money received last year was less than \$110.00 on interest.

{Tape: 1; Side: A; Approx. Time Count: 3:44 p.m.; Comments: .}

Opponents' Testimony: None

Questions From Committee Members and Responses:

SENATOR MIKE SPRAGUE wanted to know if escheatment regulations had been changed recently. Mary Phippen thought it had been changed to comply with federal mandates but it doesn't affect this piece of legislation.

SENATOR SPRAGUE asked if the counties wanted to take the ones that were profitable, or get out of the business all together. Mary Phippen said initially the clerks wanted to get out completely, because most counties do have unlocatable mineral trusts that do not generate enough revenue to cover the administrative costs. However, there are a few counties that generate enough money to cover the administration and they opposed the bill. This is why an amendment was put in to accommodate these concerns.

SENATOR SPRAGUE asked if this is only an option for the county. Mary Phippen said this was correct.

Closing by Sponsor:

REPRESENTATIVE HAGENER said this bill has created a lot of interest on finding some lost relatives on mineral rights. She closed on the bill.

EXECUTIVE ACTION ON HB 211

Motion/Vote:

SENATOR SHARON ESTRADA MOVED HB 211 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 60

Motion/Vote:

SENATOR J.D. LYNCH MOVED HB 60 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 69

Motion/Vote:

SENATOR J.D. LYNCH MOVED HB 69 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 255

Motion/Vote:

SENATOR ESTRADA MOVED HB 255 BE TABLED. MOTION CARRIED 6-3 ON A ROLL CALL VOTE (EXHIBIT 2).

MARY "MARTY" PHIPPEN, LOBBYIST
MONTANA ASSOCIATION OF CLERKS OF DISTRICT COURT
617 NO. RALEIGH
HELENA MT 59601

RE: HB 69 - "AN ACT ALLOWING THE SUBSTITUTION OF THE DEPARTMENT OF REVENUE FOR DISTRICT CLERKS OF COURT AS TRUSTEE OF TRUSTS FOR UNLOCATABLE MINERAL OWNERS; AND AMENDING SECTIONS 82-1-302, 82-1-304, 82-1-305, AND 82-1-306, MCA."

Mr. Chair, Members of the Committee, my name is Mary Phippen. I am a former Glacier County Clerk of District Court and I represent the Montana Association of Clerks of District Court.

HB 69 was submitted at the request of the Montana Association of Clerks of District Court. Currently, the Clerks of District Court are statutorily appointed as Trustees of Trusts for Unlocatable Mineral, Leasehold, or Royalty Interest Owners, and it is their experience with administration of these Trusts that has resulted in the Clerks seeking passage of this Bill.

The primary reasons that HB 69 should be considered favorably are:

1. The amount of revenue generated from 50% of the interest earned on each Trust, pursuant to 82-1-304(5), MCA, is NOT enough, in most counties, to satisfy the expenses in staff time and supplies needed to administer these Trusts. Some of the deposits from the producers are as small as \$.02 and costs to process these deposits, which include receipts, maintaining ledgers, deposits with County Treasurers and subsequent deposits in interest-bearing accounts with local banks, is substantially greater than the amount of the deposits and interest earned on the deposits.

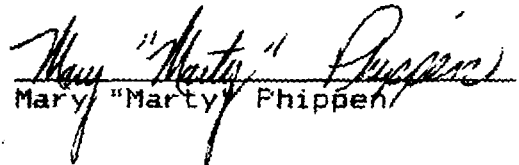
2. In addition, pursuant to 82-1-304(5), MCA, 50% of the interest earned on each Trust must be credited to the General Fund of the County in which the mineral interest is located to "defray the costs of administration". As a result of this statute, the District Court Fund does NOT receive any revenue from the interest earned on each Trust for the administration of these Trusts even though these Trusts are administered by the Clerks of District Court upon appointment by the Court.

3. Ultimately, the unclaimed funds and 50% of the interest earned on the deposits, in most cases, are annually escheated to the Department of Revenue Abandoned Property Section, as all moneys/deposits held by the Clerk/Trustee for a period of five (5) years and unclaimed are reported and transferred to that Department. The funds reported and transferred to the Department

of Revenue, Abandoned Property Section are only the monies held for five (5) years NOT the entire amount of money held in the Trust. The only time the entire amount of money held in the Trust is transmitted to the Department of Revenue, Abandoned Property Section is when the entire amount is unclaimed and has been held for five (5) years. Since producers, in most cases, continually deposit funds in these Trusts, several times throughout a one-year period, year after year, and the funds are unclaimed in most cases, this results in the unclaimed funds and 50% of the interest being annually escheated to the Department of Revenue, Abandoned Property Section. Therefore, the Clerks of District Court believe the Department of Revenue should administer these Trusts; and

4. Since a few of the counties generate more revenue than it costs to administer these Trusts, HB 69 was amended to accommodate all counties involved with unlocatable mineral interest owner Trusts. The amendments allow the Clerks of District Court in counties that do generate more income than expenses from 50% of the interest earned on the deposits to be appointed or remain as Trustee, while allowing those Clerks in counties where the costs of administration are greater than the revenue generated, to decline the initial appointment and to decline to continue as Trustee of existing Trusts. In the event that the Clerk of District Court declines to act as Trustee, the Department of Revenue will be appointed by the Court to act as Trustee.

The Montana Association of Clerks of District Court respectfully requests your favorable consideration of HB 69. Thank you.


Mary "Marty" Phippen

RE: HB 69

THE FOLLOWING COUNTIES REPORT UNLOCATABLE MINERAL OWNER TRUSTS:

BLAINE	LIBERTY
CARBON	MEAGHER
DAWSON	MUSSELSHELL
FALLON	PETROLEUM
GLACIER	PONDERA
HILL	TOOLE
VALLEY	YELLOWSTONE (NONE SINCE 1992)

THE FOLLOWING COUNTIES RECEIVE OVER \$1,000.00 IN INTEREST DEPOSITED TO THE COUNTY:

BLAINE	\$1,139.05
TOOLE	\$5,232.29
FALLON	\$2,000.00 IN TRUST ACCOUNT - DON'T KNOW IF THIS IS ALL INTEREST

THE FOLLOWING COUNTIES RECEIVED VERY LITTLE INTEREST WHICH WAS DEPOSITED TO THE COUNTY:

CARBON	\$ 743.00
GLACIER	\$ 36.70
HILL	\$ 92.89
MEAGHER	\$ 44.96
MUSSELSHELL	\$ 79.55
PONDERA	\$ 103.24

THESE FIGURES ARE BASED ON SURVEYS RECEIVED FROM 41 OF THE 56 COUNTIES, *For FY*
1995-1996.

I WAS NOT FURNISHED WITH ANY FIGURES FROM DAWSON, LIBERTY, PETROLEUM, AND VALLEY COUNTIES.

January 13, 1997

Honorable Toni Hagener
Local Government Committee Members

RE: House Bill 69
Unlocatable Mineral Owner Trusts

I am writing regarding my strong support of House Bill 69 and feel I am speaking for the majority of the Clerks of District Court in the association in this regard. I am a Deputy Clerk in Toole County at this time, however, previously served as Clerk of District Court for 11 years. I have continued to work on the Unlocatable Mineral Owner accounts in my capacity as Deputy Clerk.

Toole County currently has 131 unlocatable mineral owner accounts which involve daily, monthly maintenance and administration of each with the ultimate annual accounting and deposit to the Department of Revenue, Abandoned Property Section, at the end of the five (5) year deposit period (re: Abandoned Property). Only two (2) persons and/or heirs have been located.

Receiving the funds from the producer, depositing the funds in interest bearing accounts and the continual administration procedures are a culmination of tedious and time consuming tasks performed by the Clerk of District Courts. The most tedious and time consuming of the tasks is the calculation of the interest earned on each account for the five (5) year period. This in itself supports this bill in that the accounting we are doing is for the annual report/payment to the Department of Revenue anyway. The District Court and/or Clerk of District Court receive no compensation for the detailed administration of the trusts.

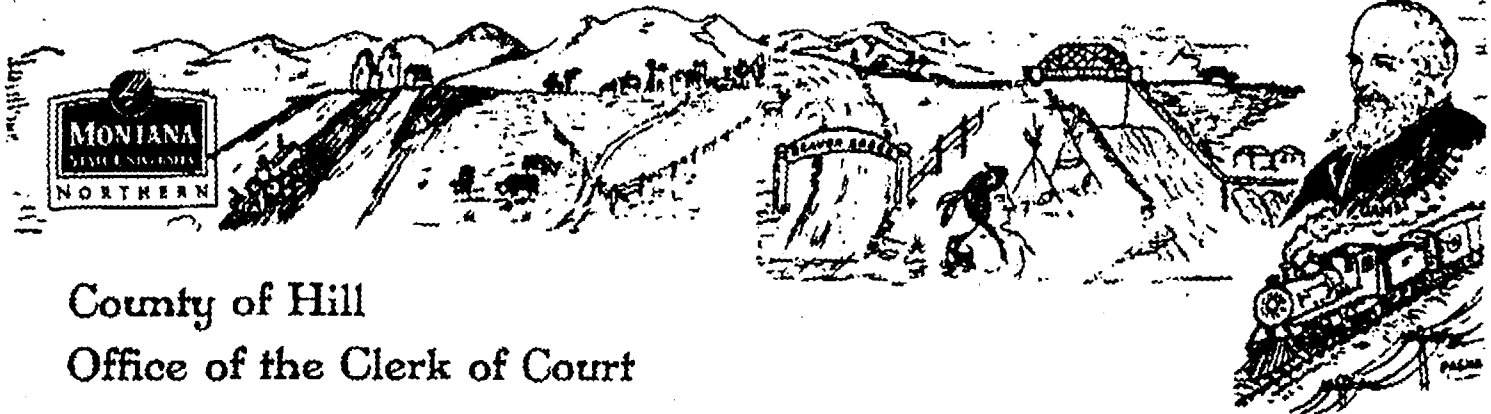
The Clerks of District Court who are trustees of the unlocatable mineral owner trusts would be grateful for your support of HB 69. The bill comes on for hearing on Thursday, January 16 at 3:00 o'clock p.m.

If you have questions in this regard, I am available at 627-2271 or through Marty Phippen, Lobbyist for the Clerk of District Court Association.

Thank you for your support.

Sincerely,

Penny Underdahl
Penny Underdahl
Star Route-Box 46
Ledger, MT 59456



County of Hill
Office of the Clerk of Court

January 15, 1997

Norm Mills, Chairman
House Local Government Committee
Capitol Station
Helena MT 59620

Dear Mr. Mills:

RE: HB 69 "AN ACT SUBSTITUTING THE DEPARTMENT OF REVENUE
FOR DISTRICT COURT CLERKS OF COURT AS TRUSTEE OF TRUSTS
FOR UNLOCATABLE MINERAL OWNERS; AND AMENDING SECTIONS
82-1-302, 82-1-304, 82-1-305, AND 82-1-306, MCA"

This letter is written in support of the above-referenced House Bill. As one of many clerks in the State who administer these trusts, I am well aware of the time and effort involved in this process. The clerks do not receive a fee for the administration of these trusts, nor does the District Court Fund. The County General Fund receives 50% of the interest earned on each trust which, in my case, amounted to \$92.00 for the last reporting period. As I spent over sixteen hours administering the trusts that same reporting period, it becomes obvious that Hill County did not realize any profit from the administration of these trusts.

In most cases, the money in these trust accounts is never claimed and is, therefore, escheated to the Department of Revenue, Abandoned Property Division, along with the other 50% of the interest earned on each trust. It seems-logical that the agency that receives the majority of these funds be required to administer it.

As seems to be the case with all local governmental agencies, the members of The Montana Association of Clerks of District Court continue to be asked to assume more and more duties and are subjected to the financial burden of providing employees and supplies to try and administer unfunded mandates.

I urge you and all members of your committee to support this proposed legislation.

Sincerely,

Dena Tippetts
Dena Tippetts

Hill County Clerk of Court

HOUSE BILL NO. 69

INTRODUCED BY HAGENER, BARTLETT

A BILL FOR AN ACT ENTITLED: "AN ACT ~~SUBSTITUTING~~ ALLOWING THE SUBSTITUTION OF THE DEPARTMENT OF REVENUE FOR DISTRICT CLERKS OF COURT AS TRUSTEE OF TRUSTS FOR UNLOCATABLE MINERAL OWNERS; AND AMENDING SECTIONS 82-1-302, 82-1-304, 82-1-305, AND 82-1-306, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 82-1-302, MCA, is amended to read:

"82-1-302. Creation of trust for unlocatable mineral, leasehold, or royalty interest owners. (1) Any person who owns an interest in minerals underlying a tract of land may petition the district court of the county in which the tract or a portion of the tract is located to declare a trust in favor of ~~a person or other~~ persons also owning or claiming an interest in the minerals underlying the tract if their place of residence and present whereabouts is unknown and cannot reasonably be ascertained.

(2) In requesting the appointment of a trustee, the petitioner ~~must~~ shall show that:

(a) a diligent but unsuccessful effort to locate the absent owner or claimant has been made; and

(b) appointment of a trustee will be in the best interest of all owners of an interest in the minerals.

(3) After determining that the conditions of subsection (2) have been met, the court shall appoint ~~the clerk of court~~ CLERK OF COURT OR, IF THE CLERK OF COURT DECLINES TO ACT AS TRUSTEE, THE department of revenue as a trustee and shall authorize ~~him~~ THE CLERK OF COURT OR the department to execute and deliver an oil, gas, or other mineral lease, a ratification, a division order, or any other related document or instrument on ~~such~~ the terms and conditions as the court may approve.

(4) IF AT ANY TIME A CLERK OF COURT DECIDES TO NOT CONTINUE AS TRUSTEE FOR A TRUST FOR UNLOCATABLE MINERAL, LEASEHOLD, OR ROYALTY INTEREST OWNERS, THE DISTRICT COURT SHALL APPOINT THE DEPARTMENT OF REVENUE TO ACT AS TRUSTEE. UPON THE DEPARTMENT OF REVENUE'S APPOINTMENT AS TRUSTEE, THE CLERK OF COURT SHALL REMIT ALL FUNDS AND INTEREST HELD IN THE TRUST TO THE DEPARTMENT OF REVENUE."

REFERENCE BILL

1 **Section 2.** Section 82-1-304, MCA, is amended to read:

2 **"82-1-304. Administration of the trust.** (1) The administration of the trust ~~shall~~ must comply with
3 the appropriate provisions regulating trusts contained in Title 72.

4 (2) ~~No trustee~~ Trustee or attorney fees may not be paid from the trust proceeds.

5 (3) All bonuses, rental payments, royalties, and other income ~~shall~~ must be paid to the trustee until
6 the trust is terminated and notice of its termination given to all interested parties. The trustee shall
7 distribute all money held in the trust to the person or persons entitled to ~~it~~ the money upon the order of the
8 district court.

9 (4) A trust in favor of unlocatable owners ~~shall~~ must be kept in force until the unlocatable owners
10 of the mineral interest in question have successfully claimed ~~the~~ their share of the funds held in trust and
11 have filed the notice, as provided in 82-1-306.

12 (5) The trustee shall invest funds ~~under his management in the~~ a prudent manner ~~of a prudent man,~~
13 as provided in 72-34-114. Fifty percent of the interest earned on each trust ~~shall~~ must be credited to the
14 ~~general fund of the county in which the mineral interest is located~~ department of revenue OR, IF THE CLERK
15 OF THE COURT IS THE TRUSTEE, TO THE GENERAL FUND OF THE COUNTY IN WHICH THE MINERAL
16 INTEREST IS LOCATED to defray the costs of administration.

17 (6) Funds held in the trusts are subject to the provisions governing abandoned property contained
18 in Title 70, chapter 9."

19
20 **Section 3.** Section 82-1-305, MCA, is amended to read:

21 **"82-1-305. Existing trust** Trust **for unlocatable mineral, leasehold, and royalty interest owners --**
22 ~~transfer of trustees --~~ **penalty.** (1) ~~Any bonuses, rental payments, royalties, and other income now held by~~
23 ~~any person or association for unlocatable owners or claimants of an interest in minerals underlying a tract~~
24 ~~of land must be deposited with the clerk of the district court in which the tract is located within 6 months~~
25 ~~after July 1, 1970. An accounting for the funds, any related documents, and any instrument creating a~~
26 ~~trust must be filed with the funds.~~

27 ~~(2)~~ (1) No A person may not personally hold for longer than 6 months any bonuses, rental
28 payments, royalties, ~~and~~ or other income for unlocatable owners or claimants of an interest in minerals
29 underlying a tract of land, but in such case Within the 6-month period, the person must shall petition the
30 district court for creation of a trust, as provided in 82-1-302.

1 ~~(3)(2) If any~~ A person ~~fails~~ failing to comply with subsection (1) ~~or (2), he~~ is liable for all attorney
2 fees and court costs and interest on ~~such~~ funds subject to subsection (1) at twice the current average
3 passbook account rate paid by financial institutions in ~~that~~ any district in which the property or part of the
4 property is located."

5
6 **Section 4.** Section 82-1-306, MCA, is amended to read:

7 **"82-1-306. Filing of addresses.** (1) Upon the payment of a \$5 fee, ~~any~~ a person claiming an
8 interest in minerals underlying a tract of land ~~which~~ that is the subject of a trust proceeding under 82-1-302
9 may file with the clerk and recorder of each county ~~wherein the mineral interests lie~~ in which the land is
10 located a notice ~~of his~~ containing the person's address and ~~the~~ a legal description of ~~his~~ the person's
11 interest in the minerals. ~~and thereby establish~~ Filing the notice creates a rebuttable presumption that ~~such~~
12 the person owns the interest claimed.

13 (2) The clerk and recorder shall forward a copy of the notice to the department of revenue
14 TRUSTEE OF THE TRUST."

15 -END-